Silver Flag Exercise Site

Integrity - Service - Excellence

Fundamentals of Contracting

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Overview

- Purchase Methods
- Contractual Instruments and Clauses
- File Documentation and Administration
- Termination and Contract Closeout
- Contract File Staging and Disposition

References

- AFFARS, Appendix CC
  - CC-502-1(c) & 502-2(c)
  - CC-502-3(a)
  - CC-502-4
- AFLMA CCO Handbook
  - Pages 24 – 26
  - Pages 28 – 31

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Why Contract Admin?

- **Documentation procedures are IAW FAR 4.8**
  - **Maintain consistency (driven by the complexity of the requirement) throughout the contract process**
- **Purposes for creating and maintaining contract files:**
  - **Establish the basis for the acquisition / award and subsequent actions taken by the Contracting Officer**
  - **Provide a complete background to support decisions at each step in the acquisition process**
  - **Document actions for contract payment**
  - **Provide information for review and investigations**
  - **Furnish essential facts should litigation inquiry occur**

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General Contracting Policy

- > $3,000 ($2,000 construction) – Micro-purchase Threshold
  - Competition in Contracting Act (CICA)
  - Economy Act
  - Buy American Act
  - Services Contract Act / Davis-Bacon Act for construction
  - Small Business Set Asides (i.e., Woman-Owned Businesses?)
- Stateside Synopsis Requirements
  - Between 10K – 25K: Public Display
  - > $25K: Electronic Synopsis Requirement
- > $100K Simplified Acquisition Threshold
  - $250K for Declared Contingency, CONUS
  - $1M for Declared Contingency, OCONUS
- $5.5M SAP for Commercial Items / $11M for Contingencies (Qualified)

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Contractual Instruments

- **Purchase Orders (SF 1449)**
- **Standard Form 44**
- **Blanket Purchase Agreements (BPAs)**
- **Government Purchase Card (limited in JCC I/A)**
- **Formal Contract Types**
  - **Letter Contract ..... FAR 16.603-2**
    - ***Let's look at the template within your Student Folder***
  - **Indefinite Quantity Type Contract ... FAR 16.504(a)**
    - ***Your Student Folder has a sample solicitation***
  - **Requirements Contract ..... FAR 16.500**

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Purchase Orders and Order for Supplies and Services

- **Purchase Orders … SF 1449**
  - **Solicitation / Contract / Order for Commercial Items**
  - **Self-contained, one time awards typically resulting in one delivery and one payment**
    - **If necessary, include payment terms for continuous service**

- **Order for Supplies and Services … DD Form 1155**
  - **Order for Supplies and Services**
  - **Typically used for BPA's and GSA Orders**

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Contingency Contracting Clauses for Purchase Orders

- **Sample of specific clauses used in Contingencies:**
  - ***FAR 52.225-13 Restrictions on certain Foreign Purchases***
  - ***FAR 52.203-3 Gratuities***
  - ***FAR 52.204-9 Personal Identity Verification of Contractor***
  - ***DFARS 252.225-7041 Correspondence in English***
  - ***DFARS 252.225-7042 Authorization to Perform***
  - ***DFARS 252.225-7043 Antiterrorism/Force Protection policy***
  - ***DFARS 252.229-7000 Invoices Exclusive of Taxes or Duties***
  - ***DFARS 252.233-7001 Choice of Law (Overseas)***
  - ***DFARS 252.209-7004 Subcontracting With Firms That Are Owned or Controlled By the Gov't of A***

Purchasing Methods, SF44

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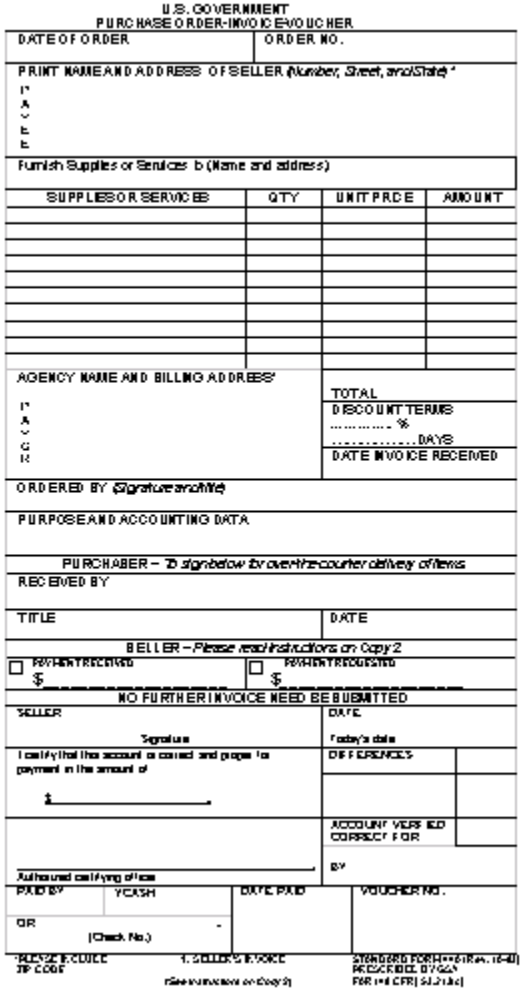
SF 44 – Purchase Order / Invoice / Voucher

- Over-the-counter supplies and services during the initial days of the build-up
- No terms and conditions – no clauses
- Can be delegated to functional areas after appointment and training
- Questions:
  - Safeguarding of SF 44 Books? IAW?
  - Maximum dollar amount for SF 44s?
    - FAR Part 13?
    - FAR 12.204(a)(1)?



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PURCHASE ORDER-INVOICE-VOUCHER

DATE OF ORDER | ORDER NO.

PRINT NAME AND ADDRESS OF SELLER (Number, Street, and State)

Furnish Supplies or Services to (Name and address)

SUPPLIES OR SERVICES	QTY	UNIT PRICE	AMOUNT

AGENCY NAME AND BILLING ADDRESS

TOTAL
DISCOUNT TERMS
..... %
..... DAYS
DATE INVOICE RECEIVED

ORDERED BY (Signature and title)

PURPOSE AND ACCOUNTING DATA

PURCHASER – To sign below for over-the-counter delivery of items

RECEIVED BY

TITLE | DATE

SELLER – Please read instructions on Copy 2

☐ PAYMENT RECEIVED $ ☐ PAYMENT REQUESTED $

NO FURTHER INVOICE NEED BE SUBMITTED

SELLER Signature | DATE Today's date

I certify that this account is correct and payment in the amount of $

DIFFERENCES

ACCOUNT VERIFIED CORRECT FOR

BY

Authorized certifying office

PAID BY | CASH | DATE PAID | VOUCHER NO.

OR (Check No.)

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Blanket Purchase Agreements

- Blanket Purchase Agreements (BPAs)
  - Simplified method of filling anticipated repetitive needs for supplies or services by establishing "charge accounts'' with qualified sources of supplies
    - Individuals in functional areas should be appointed, trained, and authorized to place calls against prepriced BPAs.
    - BPAs should be issued to several suppliers offering items of the same type as soon as possible to expedite ordering.

- We'll go more in-depth and have hands on with BPA's during our next lesson plan (Customer

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Purchasing Methods, GPC

- AFI 64-117, GPC Instruction, dated 31 January 2006
- Currently, only CCOs are Card Holders in the AOR
- USCENTAF/A4-A7K Card Issuing Authority
  - Oversight Responsibility for AOR (CENTAF Personnel Only)
  - CMSgt(s) Pigeon, DSN 965-4370 (nanci.pigeon@shaw.af.mil)
    - Requires Proof of Training / Certification:
      - Home Station and “Access On-Line” DAU Tutorial
  - Orders Cards, Hands Out to Office Chiefs, or FedEx to FOL

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Making GPC Purchases

- **Preferred method for Supplies, Equipment and Non-personal Services up to GPC threshold for commercial sources**
- **Use the Card when feasible and cost effective (AAFES, etc.)**
- **All purchases from U.S. vendors are to be tax exempt**
  - **OCONUS: Check with Local Embassy (Foreign Tax Exemption)**
- **Airlift …more expensive than you think!**
  - **Contact LRS to execute correct shipping/custom procedures, otherwise the item may end up in**

Approval Official Actions and CCOs Leaving AOR

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- **Approving Official (FM) Verifies Transactions Are:**
  - **Appropriate, mission related, and are IAW AFI 64-117**
  - **Compare CCOs Statement of Account to "Access On-Line"**
  - **Keep in mind currency fluctuations**
- **Rotation Up? You'll need to destroy your card!**
  - **Work with FM and reconcile prior to departure**
  - **Cut up card and dispose of properly**
  - **If you think that a purchase isn't going to be delivered before you leave the AOR, don't use your card!**
- **Account problems? Contact local FM or CMSgt(s) Pigeon**

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General Documentation

- **Procurement Instrument Identification Number (PIIN) Logs**
  - **IAW DFARS 204.7003**
  - **CHECK OUT WEBSITE**

    https://www.daas.dla.mil/daasinq/

    - Check out the "DoDAAC List Deployed" within your Student Folder
  - **Tracks Purchase Orders**
  - **Tracks Funds**
- **DD Form 350 (Consolidated Acquisition Reporting System)**
  - **So when are they required?**

    - Check out the "DD 350" document within your Student Folder

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File Documentation All Purchasing Methods

- **Establish contract folders/files for each purchase, whether you're using GPC, SF 44, or a SF 1449**
  - **Maintain all documents**
  - **AF Form 9**
  - **Solicitation Documents**
  - **Contract Instrument**
  - **D&Fs, J&As, PNMs and MFRs**
  - **Close-out Documents**

Document, Document, Document

Administration

- **Cradle to Grave – PR to Close-out**
  - **Receive PR**
  - **Solicit Vendors**
  - **Evaluate and Award**
  - **Administer Contract**
  - **Follow-up … by exception?**
  - **Receiving Report**
  - **Contractor Submits Invoice**
  - **Close-out Contract**

Line them up and knock them down…

Terminations

- **Contracts awarded throughout the deployment should be tailored to minimize formal termination requirements wherever possible**

- **TERMINATION FOR CONVENIENCE (T4C)**
  - **Use for Firm Fixed Price: FAR 52.249-1**
  - **Use for Services: FAR 52.249-4**
  - **Appropriate for redeployment/termination of the operation**
  - **Government's unilateral right**
- **TERMINATION FOR DEFAULT (T4D)**
- **TERMINATION FOR CAUSE (T4C Commercial)**

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Contract Closeout

- Coordinate with contractors and user the timing and procedures for return of all rental items;
- Determine which contracts require formal T4C;
- Negotiate a reduction of services;
- Ensure that receiving reports and invoices for all purchases pending payment are processed;
- Coordinate with the disbursing agent for final payments;
- Settle all contractor claims prior to redeployment (document used: Release of Claims); and
- Coordinate the disposition of all purchased assets to include site restoration if necessary.

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Contract File Staging and Disposition

- **IAW AFFARS CC-502-4(a)(2)**
  - **Contract action reporting and disposition: Report all contract actions and dollar amounts to the contracting activity that issued the PIINs used during the deployment; total actions and dollars will be reported by office chiefs to theater MAJCOM / A7K prior to departure**
- **Contract files are staged at contracting activity that issued the PIINs used during the deployment**
  - **Stage files locally for 12 months per DFARS 204.800**
- **Destroy files in accordance with FAR 4.805 when:**
  - **Over the SAT: 6 Years, 3 Months**
  - **Under the SAT: 3 Years**
- **Check with the HCA chain of command you are supporting to determine your actions**

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Summary

- Purchase Methods
- Contractual Instruments and Clauses
- Files and Documentation
- Administration
- Termination
- Contract Closeout
- Contract File Staging and Disposition

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Questions?